

MUNGER, TOLLES & OLSON LLP  
355 S. Grand Avenue, 35th Floor  
Los Angeles, CA 90071-3560  
Tel: (213) 683-9100 – Fax: (213) 687-3702  
Ronald L. Olson (admitted *pro hac vice*)  
Email: ron.olson@mto.com  
Cary B. Lerman (admitted *pro hac vice*)  
Email: cary.lerman@mto.com  
Carl H. Moor (admitted *pro hac vice*)  
Email: carl.moor@mto.com

*Attorneys for Jeanne Levy-Church and  
Francis N. Levy*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITY INVESTOR PROTECTION  
CORPORATION,

Plaintiff,

v.

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Defendant.

In re

BERNARD L. MADOFF,

Debtor.

Adv. Pro. No. 08-01789 (BRL)

SIPA Liquidation

(Substantively Consolidated)

**LEVYS' DESIGNATION OF ADDITIONAL ITEMS TO BE INCLUDED IN RECORD  
AND COUNTERSTATEMENT OF ISSUES TO BE PRESENTED ON APPEAL**

Pursuant to Federal Rule of Bankruptcy Procedure 8006, and in connection with the *Notice of Appeal* filed April 11, 2011 [Docket No. 4005] by Marsha Peshkin and a “large group of other Madoff customers” (“Appellants”), Jeanne Levy-Church and Francis N. Levy (the “Levys”) hereby designate additional items to be included in the record and counter-state the issues to be presented on appeal to the United States District Court for the Southern District of

New York from the Bankruptcy Court's Minute Order signed on March 30, 2011 [Docket No. 3984], denying Appellants' *Motion to Set Aside the Order Approving the Trustee's Settlement With the Levy Heirs for Failure to Disclose Material Information* [Docket Nos. 3860-61].

DESIGNATION OF ADDITIONAL ITEMS  
TO BE INCLUDED IN THE RECORD ON APPEAL

| <u>Proceeding No.</u>         | <u>Filing Date</u> | <u>Doc. No.</u> | <u>Docket Text</u>  |
|-------------------------------|--------------------|-----------------|---|
| 08-01789<br>(Bankr. S.D.N.Y.) | 03/15/2011         | 3935            | Opposition to <i>Motion to Set Aside Settlement</i> (related document(s) 3860) filed by Todd J. Rosen on behalf of Francis N. Levy, Jeanne Levy-Church. (Rosen, Todd) (Entered: 03/15/2011) |

COUNTERSTATEMENT OF ISSUES  
TO BE PRESENTED ON APPEAL

1. Whether the Bankruptcy Court abused its discretion in denying Appellants' motion to vacate the Bankruptcy Court's February 18, 2010 order approving the Trustee's settlement with the Levy Family, in light of the following:

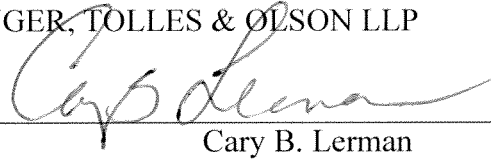
- a. Appellants' failure to show exceptional circumstances why, under Federal Rule of Civil Procedure 60(b), the February 18, 2010 order should be set aside;
- b. The Trustee, having properly exercised his business judgment, after conducting appropriate due diligence and after considering the very facts that Appellants contend are "new," determined that the settlement was in the best interests of the debtor's estate and creditors; and
- c. The Bankruptcy Court found, not once but twice, that the settlement fell within a range of reasonableness, after considering all relevant factors.

DATED: May 5, 2011  
Los Angeles, California

Respectfully submitted,

MUNGER, TOLLES & OLSON LLP

By: \_\_\_\_\_



Cary B. Lerman

355 South Grand Avenue, Suite 3500  
Los Angeles, CA 90071-1560  
Tel: (213) 683-9128 – Fax: (213) 683-5128  
Email: cary.lerman@mto.com

*Attorneys for Jeanne Levy-Church and  
Francis N. Levy*